

## REGULATION AND LICENSING

| Budget Summary |                              |                     |                        |                        |                   |   |         |
|----------------|------------------------------|---------------------|------------------------|------------------------|-------------------|---|---------|
| Fund           | 2002-03 Base<br>Year Doubled | 2003-05<br>Governor | 2003-05<br>Jt. Finance | 2003-05<br>Legislature | 2003-05<br>Act 33 | Act 33 Change Over<br>Base Year Doubled |         |
|                |                              |                     |                        |                        |                   | Amount                                  | Percent |
| PR             | \$23,320,400                 | \$23,961,800        | \$22,197,800           | \$22,197,800           | \$22,197,800      | - \$1,122,600                           | - 4.8%  |

| FTE Position Summary |              |                     |                        |                        |                   |                                    |
|----------------------|--------------|---------------------|------------------------|------------------------|-------------------|------------------------------------|
| Fund                 | 2002-03 Base | 2004-05<br>Governor | 2004-05<br>Jt. Finance | 2004-05<br>Legislature | 2004-05<br>Act 33 | Act 33 Change<br>Over 2002-03 Base |
| PR                   | 135.50       | 125.50              | 125.50                 | 125.50                 | 125.50            | - 10.00                            |

### Budget Change Items

#### 1. STANDARD BUDGET ADJUSTMENTS

|         | Governor<br>(Chg. to Base) | Jt. Finance/Leg.<br>(Chg. to Gov) | Net Change |
|---------|----------------------------|-----------------------------------|------------|
| GPR-REV | \$0                        | \$141,600                         | \$141,600  |
| PR      | \$461,400                  | - \$141,600                       | \$319,800  |

**Governor:** Provide standard adjustments to the base budget totaling \$230,700 annually. Adjustments are for: (a) turnover reduction (-\$162,400 annually); (b) full funding of continuing salaries and fringe benefits (\$316,800 annually); (c) overtime (\$5,100 annually); (d) night and weekend differential (\$400 annually); and (e) fifth week of vacation as cash (\$70,800 annually).

**Joint Finance/Legislature:** Delete funding for fifth week of vacation as cash (\$70,800 annually). Require the agency to lapse to the general fund \$70,800 annually from those PR accounts in which these fifth week of vacation as cash payments had been budgeted. Estimate GPR-REV of \$70,800 annually.

[Act 33 Section: 9160(3f)]

2. **LAPSE FROM PROGRAM REVENUE BALANCES** [LFB Papers 646 and 648]

|         |             |
|---------|-------------|
| GPR-REV | \$3,939,800 |
|---------|-------------|

**Governor/Legislature:** Require the Secretary of DOA to lapse \$1,969,900 annually to the general fund from the available PR balances in R&L's general program operations appropriation. Expenditure authority under the appropriation itself would not be reduced. Generally prohibit the Secretary of DOA from lapsing or transferring any funds if the proposed lapse or transfer would violate a condition imposed by the federal government on the expenditure of the funds, or if the lapse would violate the federal or state constitutions.

**Veto by Governor [D-3]:** Authorize R&L to submit an alternative plan to the Secretary of DOA for the allocation of the lapse amounts. After reviewing any submitted plan, the Secretary would have the authority to implement the plan.

[Act 33 Section: 9260(1)]

[Act 33 Vetoed Section: 9260(1)]

3. **BASE BUDGET REDUCTIONS** [LFB Papers 646 and 648]

|    | <b>Governor<br/>(Chg. to Base)</b> |                  | <b>Jt. Finance/Leg.<br/>(Chg. to Gov)</b> |                  | <b>Net Change</b> |                  |
|----|------------------------------------|------------------|---|------------------|-------------------|------------------|
|    | <b>Funding</b>                     | <b>Positions</b> | <b>Funding</b>                            | <b>Positions</b> | <b>Funding</b>    | <b>Positions</b> |
| PR | -\$1,086,800                       | - 10.00          | -\$580,600                                | 0.00             | -\$1,667,400      | - 10.00          |

**Governor:** Reduce the Department's PR general program operations appropriation by \$543,400 and 10.0 positions annually. The base level reductions would be applied to amounts budgeted for salaries and fringe benefits. These reduction amounts are being reallocated to the agency's supplies and services budget to fund information technology initiatives [see next entry].

**Joint Finance/Legislature:** Delete an additional \$290,300 annually from the agency's general program operations appropriation to offset a portion of a projected deficit in this appropriation account.

4. **INFORMATION TECHNOLOGY FUNDING** [LFB Paper 645]

|    | <b>Governor<br/>(Chg. to Base)</b> | <b>Jt. Finance/Leg.<br/>(Chg. to Gov)</b> | <b>Net Change</b> |
|----|------------------------------------|---|-------------------|
| PR | \$1,086,800                        | -\$1,041,800                              | \$45,000          |

**Governor:** Provide \$543,400 annually budgeted to supplies and services under the agency's general program operations appropriation to fund unspecified information technology expenses to aid in the improvement of the Department's information technology environment. Under the bill, the salary and fringe benefits funding reductions associated with recommended

base budget staffing reductions [see the preceding entry] would be reallocated to the supplies and services line to fund this information technology initiative. The amount of the salary and fringe benefits funding reduction would be fully offset by this information technology funding increase, and the net fiscal effect of both recommendations would be \$0.

**Joint Finance/Legislature:** Delete \$498,400 in 2003-04 and \$543,400 in 2004-05 annually for activities associated with improvements to the Department's IT environment. The remaining balance of \$45,000 in 2003-04 would be available to fund an analysis of the scope and purpose of each proposed IT project enhancement. The funds for the analyses would be provided with the understanding that the agency could submit a request for additional IT funding under s. 16.515/16.505(2) passive review procedures once the Department had developed detailed cost projections for each proposed IT project enhancement and had demonstrated that sufficient revenues would be available to support the projects.

**5. EXAMINATION FEE VENDOR PAYMENT INCREASE**

|    |           |
|----|-----------|
| PR | \$180,000 |
|----|-----------|

**Governor/Legislature:** Provide additional expenditure authority of \$90,000 annually for examination fee payments for tests prepared and administered by outside test services. Base level funding is \$1,518,900 annually and supports tests prepared and administered by the agency as well as those administered by independent national test services.

**6. GPR-EARNED REESTIMATE [LFB Paper 647]**

|         |           |
|---------|-----------|
| GPR-REV | \$105,900 |
|---------|-----------|

**Joint Finance/Legislature:** Reestimate GPR-Earned amounts from initial and renewal licenses, examinations and criminal background checks for the Department by -\$18,100 in 2003-04 and \$124,000 in 2004-05.

**7. EVALUATION OF CURRENT METHODOLOGIES USED TO ESTABLISH INITIAL AND RENEWAL FEES [LFB Papers 646 and 648]**

**Joint Finance/Legislature:** Request that the Joint Legislative Audit Committee direct the Legislative Audit Bureau (LAB) to conduct an evaluation of the methodologies used by R&L for calculating administrative and enforcement costs and recommending changes to fees for issuing and renewing credentials. The purpose of the audit would be to determine whether the Department's methods are adequately documented and straightforward in administration, represent the actual costs associated with the regulation of licensed professions and provide sufficient revenues to support the agency's operations. If the LAB conducts such an audit, direct that it report its findings by June 30, 2004.

[Act 33 Section: 9133(3f)]